

Estate of Chemetco, Inc.

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June 8, 2012

Erin Rednour
State Project Coordinator
Illinois EPA RPMS/BOL
1021 North Grand Avenue East
Springfield, IL 62794-9276

James L. Morgan
Assistant Attorney General
Environmental Bureau
500 Second Street
Springfield, IL 62706

Re: **Monthly Status Report (June, 2012)**
Interim Order (Civil Case No.00-cv-670-DRH-DGW
00-cv-670-DRH (consolidated))

Dear Mrs. Rednour and Mr. Morgan:

As required in the Interim Order (IO), this letter documents the progress by the Bankruptcy Estate of Chemetco, Inc. ("Estate") during the month of May under the approved work plans; (Demolition Work Plan, Scrap Metal Work Plan, Copper Furnace Cleanup Solids, Scrubber Sludge Work Plan, etc) as indicated in the Extended Interim Order. It should be noted that the Interim Order has been further extended through September 4, 2012 in order to complete the work already in progress under the IO.

Demolition Report

Electronic copies of the Demolition Report were submitted to Illinois Environmental Protection Agency (IEPA) and United States Environmental Protection Agency (USEPA) on May 31, 2012. Submittal of hard copies and CD of the Demolition Report will follow.

Scrap Metal Work Plan

During the previous month (April) the Estate of Chemetco gathered scrap metal throughout the site. The following were sold to Grossman Steel during the month of May.

- 4 containers (~ 43.39 tons) of scrap metal were loaded and sent to Grossman Steel for recycling.

Scrubber Sludge Work Plan

On March 20, 2010, the IEPA approved Addendum 2 to the Scrubber Sludge Work Plan. The Addendum briefly describes minor changes that were made to loading of the Scrubber Sludge.

Loading activities resumed on March 14, 2012. The Estate and Aerotek Services are loading the Scrubber Sludge material into 1 Metric Ton Supersacks.

The bags are then loaded in 20 ft steel sealed containers and shipped internationally to China. During the month of May, the following containers were loaded:

- 16 containers of Scrubber Sludge and Scrubber Sludge mixed with fines (~315 Metric Tons) were loaded and shipped internationally and sold to California Metals & Alloys Corp.

It should be noted that the Metric Tons are gross ton weight and includes the tare weight for bulkhead and supersack bags.

Scheduled Action Items for Next Month

Demolition Report

The Estate will be submitting hard copies and CD of the Demolition Report that was electronically submitted on May 31, 2012.

Disposal of Bins

All of the containers associated with demolition work have been picked up and disposed of in accordance with the Demolition Work Plan.

Additional bins associated with other site activities (Scrubber Sludge Work Plan) will be generated. As these bins are filled to capacity, they will be properly disposed within the allowed time.

Other Work Plan Activities

Scrubber Sludge

The Estate and Paradigm will continue loading the material during the month of June.

Copper Furnace Cleanup Solids

The Estate will be submitting an addendum to the CFCS work plan to include additional CFCS material recovered from the Foundry building. In the past, the Estate has sold CFCS to Aurubis, and may sell it to them again, or we may sell it to China.

Scrap Metals

The Estate will continue gathering scrap metal throughout the site when there are no loading activities of scrubber sludge material. The gathered scrap metal will be placed in a roll off provided by Grossman Steel and will be sold for recycling.

Furnaces Removal Work Plan

Talks have resumed between Metallo and the Estate of Chemetco regarding the purchasing of the three-TBRC metal furnaces located in the interior area of the former foundry building. A representative of Metallo visited the site on April 30, 2012 to inspect the condition of the furnaces. Dialogue between Metallo and the Estate is ongoing.

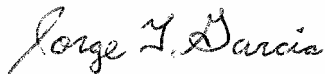
Circuitry Board and Shredded Board Material Work Plan

On May 21, 2012 the Estate received from IEPA a conditional approval addendum to the Circuitry Board and Shredded Board Material Work Plan. The Estate is waiting for a certificate of recycling that was not included in the January 26th submittal and will submit a copy of the certificate to IEPA once it is received from the buyer.

The next monthly progress report is due by the 10th of July. It should also be noted that as required by paragraph 34 of Section X. REPORTING REQUIREMENTS of the Interim Order, a quarterly progress report is also being submitted to IEPA and USEPA. If you have any questions, please do not hesitate to contact me at my office, 618/254-4381 x372 or by cell phone at 314-348-8211.

Sincerely

ESTATE OF CHEMETCO, INC.



Jorge Y. Garcia PG

EH&S Manager

CC: Michelle Kerr, USEPA Region 5 Superfund
Chris Cahnovsky, Regional Mgr, IEPA-Collinsville Office
Donald Samson, Trustee
Elliott Stegin, IAD/Paradigm
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